

CHINESE COMMERCIAL LAW BY KUI HUA WANG [Australia OUP 2000, xlix + 326pp (including index). AU\$54.95]

AS stated in the preface, this book is intended to give the reader an overview of Chinese commercial law, presented in a brief, simple and non-technical manner. In this regard, the author has achieved her objective.

After the collapse of the Imperial Qing dynasty in the early twentieth century, China was embroiled in internal civil wars and the Second World War for another 50 years or so. What followed after the founding of the People's Republic of China in 1949 was not a smooth path in social development and reconstruction. There were the political movements, "Great Leap Forward" and the "Cultural Revolution", which caused severe disruption and damage to the Chinese society and its legal system. During these political movements, from the late 1950s to the mid-1970s, there was a vacuum in law making. It was only in 1979 that China started to build up a legal system required for the workings of a modern market economy, when she opened her doors to foreign investments.

Together with an understanding of recent Chinese history, it is also essential for the reader to understand the hierarchical political, legislative, governmental, administrative, judicial and prosecutorial structure of modern China in order to understand her legal system, and in particular her commercial laws. The writer has most appropriately included an introductory chapter on the Chinese legal system.

Following the introductory chapter, the reader is introduced to the PRC Contract Law. This law was passed in October 1999. It is one of the longest piece of legislation

passed by the Chinese legislature. The PRC Contract Law repeals the previous contract laws which existed in China. The author provides the reader with summaries of those previous contract laws. Notwithstanding the summaries, it may still be difficult for a reader to understand why there were various contract statutes which existed prior to October 1999. For example, the reader may not be able to understand why there were 2 sets of contract laws, Economic Contract Law and Foreign Economic Contract Law and why there were special contract laws with respect to the assignment or licensing of technological knowhow. It may therefore be appropriate to deal with the Contract Law after the reader has a basic understanding of China's foreign investment laws.

When China opened its doors to foreign investments in 1979, it first passed legislation dealing with direct foreign investments in China. The laws relating to sino-foreign co-operative joint ventures and sino-foreign equity joint ventures were passed. Subsequently, when China was comfortable with foreign investments in China, it allowed for foreigners having full equity interest in an enterprise established in China through the entity commonly known as wholly foreign-owned enterprise. These were dealt with in Chapters 3 and 4. As the book is intended for foreign readers, it may be appropriate that these chapters do not deal with the laws applicable to domestic organisations as it may be confusing to them. It is suggested that there should be a separate chapter dealing with the laws applicable to domestic organisations.

After the chapters on foreign investment laws, it may be appropriate to introduce the readers immediately to the employment and labour law of foreign investment enterprises. This is because there will be always be a section in the constitutional documents of the foreign investment enterprises which will deal with employment, labour and trade union matters.

The chapters on foreign trade law and intellectual property rights are well written and provide the reader with a good overview of the subject matter. In the chapter on tax, the writer rightly focuses on issues and information which would be of interest to a foreign investor. As for the sections on the banking system and the exchange control system, they do not deal with the specific laws but merely provide general information on the subject matter.

The book ends off with a chapter on dispute resolution. This chapter is written in simple and short sentences and it is very easy to read. The chapter provides an outline of the various modes of dispute resolution available in China. It would be helpful if the author could also address certain issues commonly raised by foreign investors, for example, the difference between arbitration under the domestic commission and arbitration by CIETAC.

At the end of each chapter, the author provides a list of articles for further reading by the readers. It would also be helpful if the list could be expanded to include articles appearing on "China Law and Practice" published by Asia Law & Practice as the articles therein are usually written by practitioners and will provide the readers with a feel of the common issues confronting practitioners of China law. The author may also include a list of books such as *China's Civil and Commercial Laws* (Butterworths Singapore, 1988) by Henny Zheng and *Business Laws of China, Cases, Text and Commentary* (Butterworths Asia, 1993) by Wang Gui Guo for further reading by the readers.

Throughout the book, it would also be helpful to the reader if the author could provide some comments (not detailed analysis) on the developments of the various laws, from a chronological perspective and taking into account how such developments might be affected by the recent history of China, even if such an approach may require the writer to reduce its comprehensive listing of the relevant commercial

statutes and regulations passed.

The author may also wish to consider including a chapter introducing the civil code of China to the readers so that they have a basic understanding on the concepts such as legal capacities and legal persons.